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AGRICULTURE, DEPARTMENT OF

The Food and Nutrition Service has revised and republished its regulations governing child nutrition programs (see 8/3/76 Fed. Reg., pp. 32405-09). The republication is for the purpose of redesignating the regulation from Part 220 to Part 235 of CFR Title 7, and to incorporate certain editorial changes conforming the regulations to the revised child nutrition program rule necessitated by P.L. 94-105.

COMMERCE, DEPARTMENT OF

The Administration has proposed legislation to require the disclosure of large payments to foreign officials with penalties of up to \$100,000 and one year's imprisonment for failure to file, and up to \$500,000 and three years imprisonment for knowingly filing a false statement. The reports would be made to the Commerce Secretary and would be kept confidential for one year, although they would be made available to the Departments of State and Justice, the IRS, and the SEC. According to the President, the bill is designed to "supplement and complement" the work of the SEC by covering firms not regulated by the Commission.

Secretary Richardson said agencies would work to avoid duplication of effort and would develop a standard reporting form. He also noted that "the accounting profession has been alerted" and that the profession "will perform an auditing and monitoring role with respect to companies' own voluntary codes".

A detailed history of the 1970 Census of Population and Housing is available in a publication recently issued by the Census Bureau. The publication covers the 1970 Census in detail from the early stages of planning to the evaluation methods used after the census was completed. Chapters are included on pretesting and census dress rehearsals, preparatory work conducted before the census, the uses of sampling and estimation, and on the final publication program. Copies of the report (PHC(R)-1) are for sale for \$8.50 from the GPO, or Commerce District Offices in major cities of the U.S.

COST ACCOUNTING STANDARDS BOARD

Standard 415, Accounting for the Cost of Deferred Compensation, appears in the 7/30/76 Fed. Reg., pp. 31797-802. The Standard is expected to be effective 1/1/77. The Board noted that the Standard's provisions are applicable only to new awards of deferred compensation made on or after the date the Standard becomes available to each contractor.

Anyone wishing to receive one free copy of Standard 415 may do so by contacting our Washington office by 8/18/76. Telephone requests are encouraged and should be directed to extension 47.

FEDERAL ELECTION COMMISSION

A 400-page set of proposed regulations governing all major areas of federal election campaign laws has been sent to Congress for their review and is scheduled for publication in the Federal Register soon. Congress has 30 days in which either House may veto any part or all of the regulations. Those parts not vetoed will go into effect immediately. The proposals are

essentially a recodification of advisory opinions and regulations issued prior to the reconstitution of the Commission and are based on earlier proposals published for comment last May which have been redrafted as a result of hearings, written comments and Commission amendments.

FEDERAL POWER COMMISSION

Form No. 161, "Licensed Project Information Data", was proposed in the 7/29/76 Fed. Reg., pp. 31714-92. This form is designed to incorporate into a readily retrievable data processing system the information currently submitted on Form Nos. 9 and 80. Comments are to be filed by 9/20/76.

FEDERAL RESERVE BOARD

The adoption of providing management consulting advice to certain types of nonaffiliated financial institutions as a permissible activity for bank holding companies is being considered by the Board. Under certain conditions, management consulting advice for nonaffiliated commercial banks is already a permissible activity, but the Board now seeks comments on whether Regulation Y should be amended to add the activity of providing management consulting advice to nonaffiliated depository-type, financial institutions to the list of those specified permissible activities. Comments are to be filed by 9/8/76.

HEALTH, EDUCATION, AND WELFARE, DEPARTMENT OF

Interim procedures for implementing revised OMB Circular No. A-95 were published for comment in the 7/29/76 Fed. Reg., pp. 31600-10. Comments are to be filed by 9/13/76.

A proposal to strengthen the rules against unnecessary noncompetitive procurement was published in the 8/4/76 Fed. Reg., pp. 32607-12. The time for comment ends 9/20/76.

HOUSING AND URBAN DEVELOPMENT

The President last week signed the housing authorization bill to extend existing HUD programs through FY77. The law provides, in part, \$850 million under the rental housing subsidies program, \$576 million for public housing operating subsidies, and \$100 million for comprehensive planning grants.

INTERSTATE COMMERCE COMMISSION

A comprehensive revision of the uniform system of accounts for railroad companies has been proposed. In Order No. 36367, served 8/2/76, the Commission announced its proposed revision which is designed to up-date the railroad accounting system and to adopt a more reliable accounting information system to allow the Commission to adequately determine the cost of service. The publication follows a requirement in the Railroad Revitalization and Regulatory Reform Act of 1976 to issue not later than 6/30/77 regulations and procedures prescribing a uniform cost and revenue accounting and reporting system for all regulated railroads to be effective not later than 1/1/78. Comments on the proposal are due by 9/30/76.

The Commission has also published final revisions to the uniform system of accounts for all carriers effective 1/1/76 to implement FASB Statement No. 5

on Accounting for Contingencies (see 8/4/76 Fed. Reg., pp. 32594-602).

The final report and order concerning standards for determining commuter rail service continuation subsidies and emergency operating payments appeared in the 8/3/76 Fed. Reg., pp. 32546-61.

In the same issue, on pp. 32434-36, proposed regulations designed to encourage the filing of capital incentive rates by facilitating publication and by establishing expedited procedures to resolve controversies associated with the filing of rates based on a capital investment of \$1 million or more were published. Comments on these proposals are due by 8/23/76.

Proposed rules affecting the procedures by which railroads request the abandonment of rail lines and the discontinuance of rail service appeared in the 7/30/76 Fed. Reg., pp. 31878-96. Subpart C of the proposal governs the procedures covering applications for assistance and Subpart D governs the standards for determining costs, revenues, and return on value. Comments are due by 9/8/76 and replies by 9/28/76.

JUSTICE, DEPARTMENT OF

Legislation giving the Justice Department new premerger antitrust enforcement powers has passed the House. HR 14580 establishes prenotification and waiting requirements for corporations planning mergers when they meet the following criteria of substantiality: 1) the activities of either company involved in the merger are in or affect commerce; 2) total assets or annual sales are \$100 million or more for the acquiring corporation, and \$10 million or more for the acquired corporation; and 3) the acquiring corporation purchases at least 25% of the acquired firm's voting securities or assets, or at least \$20 million of its voting securities and assets.

HR 13489 expands the pre-complaint investigative authority by providing that the "civil investigative demand (CID)" can be used to secure answers to written interrogatories and oral testimony, and to require the submission of evidence from any natural person, as well as partnerships, corporations, or other legal entities. The bill also permits the agency to demand similar information whether or not the person is a "target" or unimplicated third party. Both measures now go to the Senate.

New rules are being proposed for improving government efforts to eliminate racial and ethnic discrimination in federally assisted programs. The regulations apply to 26 federal agencies that provide financial assistance through some 400 federal programs that dispense nearly \$50 billion annually. The proposals establish minimum standards for federal agencies in implementing Title VI and related statutes and require active steps by the agency to monitor compliance. Included are DOL's CETA program, VA educational programs, CSA, EDA, and USDA's food stamp program. Copies of the proposals are available by calling 202/739-2014.

LABOR, DEPARTMENT OF

The annual reporting regulations for pension and welfare plans have been issued (see 8/3/76 Fed. Reg., pp. 32522-38). They are being issued as new temporary regulations and comments will be accepted until the end of the year (12/31/76). The regulations are fully applicable to plan years which began in 1975. They have been simplified to ease the reporting requirements: 1) The regulations eliminate a need for plans with 100 or more participants to prepare separate financial statements, which may not be duplicated or extracted directly from

Form 5500, the annual report form used for filing with the Department of Labor and the Internal Revenue Service; 2) A key provision exempts plans with fewer than 100 participants from engaging an independent qualified public accountant (Mr. Hutchinson said that this was an expensive and somewhat unnecessary burden for small businesses and that about 93 percent of welfare and pension plans have fewer than 100 participants); and 3) The temporary regulations, in addition, deal with questions concerning financial information certified by banks and insurance companies.

Anyone wishing to receive on free copy of the annual reporting requirements may do so by contacting our Washington office by 8/18/76. Telephone requests are encouraged and should be directed to extension 47.

Proposed regulations on statutory exemptions from prohibited transactions provisions contained in ERISA have been issued see 7/30/76 Fed. Reg., pp. 31874-78. Similar regulations have also been proposed by the IRS providing for similar situations. The proposed regulations do not exempt fiduciaries from receiving commissions from insurance companies in connection with sales to plans they advise or counsel. However, many benefit plan consultants and insurance agents have requested administrative exemption from this provision of the law, effective as of the expiration date of the transitional rule (6/30/77). DOL and IRS are considering these applications for a class exemption. Comments on the proposed regulations are due by 9/23/76.

In addition, proposed regulations on employee stock ownership plans under ERISA also appear in the 7/30/76 Fed. Reg., pp. 31870-74. Comments on these proposed regulations are due by 9/30/76.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NASA has revised the reporting period and report submission date for Government-owned property and space hardware held by contractors as a result of the change in the Federal Government fiscal year. NASA contractors should be advised that the next submission date for the Government-Owned/Contractor-Held Property Report (NASA Form 1018) is 9/25/77. This report will cover a 15 month period from 6/1/76 to 8/31/77 to accommodate the transition to the new fiscal year. Thereafter, the annual reporting period will be from 9/1 to 8/31, with a submission due date of 9/25. The appropriate NASA Procurement Regulations are being changed to reflect these dates.

SECURITIES AND EXCHANGE COMMISSION

Pursuant to a Freedom of Information request (F.I. No. 47, 7/9/76), the Commission has authorized the release of certain intra-agency memorandum and documents relating to enforcement proceedings. The materials released are a two-page memorandum entitled, "Procedures Followed in the Institution of Enforcement Proceedings", and portions of the following: "The Enforcement Manual", "The Enforcement Recommendation Guidebook", and "The 1974 Enforcement Training Program Manual". Copies of these materials are available through the Public Reference Section, 202/523-5360.

Amendments to Regulation S-X concerning Rule 3-16(s) relating to reporting disagreements with former accountants have been announced (see Rel. No. 33-5730, 7/29/76). The final amendments are virtually identical to those which were originally proposed.

The Fifth Annual Report of the Securities Investor Protection Corporation (SIPC) is now available. The report of the non-profit, membership corporation, which was established to protect customers of broker dealers against financial loss when broker/dealers failed, highlights the activities of the corporation during the past year and lists those broker/dealers placed in liquidation pursuant to the Act. Copies are available by calling 202/223-8400.

TREASURY, DEPARTMENT OF

"Revenue Sharing Act Audit Requirements Should Be Changed" is the title of a recent GAO report (GGD-76-90, 7/30/76), which advocates audits by independent auditors at least once every three years of the finances and accounts of states and localities receiving revenue sharing funds. Many of the recommendations are similar to those contained in the House-approved bill (HR 13367) which extends and revises the general revenue sharing legislation. The bill is in the Senate Finance Committee and has been held up pending completion of the tax reform legislation. Copies of the report may be obtained from the GAO Reports Department for \$1 each by calling 202/275-6241.

Proposed regulations setting forth the requirements for any taxpayer electing the 11% investment credit provisions appear in the 7/30/76 Fed. Reg., pp. 31828-42. These regulations detail the requirements for the additional 1% investment credit when establishing or maintaining an employee stock ownership plan.

A public hearing on proposed regulations relating to group-term insurance, wage continuation payments, and moving expenses will be held 8/31/76 in the IRS building in Washington. The proposed regulations appear in the 1/14/76 Fed. Reg., pp. 2087. For more information call 202/964-3935.

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